AF15

208 lectures on sanitation, and. sometimes with the
873 help of radio, films, and mobile theatrical units dramatizes the issues of the day, the need for the farmer to sacrifice , to send his sons to the army, to contribute labor to community projects, to inform on his neighbors, to buy bonds, and so forth. The cadre establishes "winter schools" in which the peasants are given intensive political indoctrination practical training, and instruction in reading and writing. Hunan reported that 2,500,000 peasants were enrolled in these schools in the winter of 1955.[18]

425 The age-old drive of the vigorous peasant to
668 increase his family's land holdings is checked by fear lest he be re-classified as a "rich peasant" and be subject to higher taxes and other pressures. Yet what the Communists deplore as the peasant's "spontaneous capitalistic tendency" has not been crushed and the landholdings of the more enterprising grow in size.[19]

474 The effort to force various forms of co-operative
668 work has not been completely successful.

> "... when a serious team-use of labor, tools and farm animals was attempted, a variety of unsatisfactory results emerged; quarrels among the families interfered with efficient output; no one assumed responsibility for the upkeep of communal property; the claims of inefficient members violated the sense of equity of the more efficient..."[20]

---

18. People's Daily, Jan. 30, 1955; SCMP 984, pp. 30-31.

19. Rostow op. cit., p. 152, cites the Peking People's Daily, Feb. 15, 1954.

20. Rostow, op. cit., p. 84.

[p. 223]

III. COLLECTIVIZATION IN EAST CHINA

474
185

The number of agricultural producers' co-operatives in Communist China was 400,000 at the end of 1954, but it had been increased to 670,00 by the time of the "spring plowing" of 1955, as reported by Li Fu-ch'un, Vice-Premier of the People's Republic of China.[11] The information concerning the regional development of the agricultural producers' co-operatives was not available. If we calculate according to the percentage of rural population, East China should have developed, approximately, 187,600 units[12] by the spring of 1955, with a membership of 4,200,000 farm households, representing 15 per cent of the total households of the region. It was reported that the speed of development was too rapid for the peasants to follow, and most of the cadres were lacking in serious study of the wo and became blindly optimistic and impatient. Some peasants were forced into "co-operativization" and afterwards withdrew from it.[13] Therefore, the training of competent cadres to direct the work seems to be the key to success of the whole movement. Special attention is given to education in the Party line in rural districts.[14]

Regarding the state-owned and state-operated farms in East China, the Communists claim that

11. NCNA, Peking, July 11, 1955.

12. East China's rural population is about 28 per cent of that of the whole country.

13. Far Eastern Economic Review, Hong Kong, July 28, 1955, Vol. XIX, No. 4, p. 104.

14. Ibid.

474 the progress made since 1950 is considerable.
185 As of 1952, there were 718 different types of state farms in the region, including 6 large-sized mechanized farms, 347 middle-sized "district farms," and 371 hsien and municipal farms.[15] According to the Communist directives, the development of hsien farms has recently been greatly encouraged. At present (1955), there is at least one state farm in each hsien and the number of large-sized state farms must have been increased.

The data on the six large state farms of East China are tabulated below.

15. Kung-fei T'u-kai Pen-chih Chi Ch'i Yen-pien [The Nature and Development of Communist Land Reform] Sixth Section of the Central Reform Committee of the Kuomintang, Taipei, 1952, p. 31.

Table 4. The Leading State Farms of East China, 1952*/

Name of Farm	Location	Area Shih-mou	Area (Acres)	Description
Kuang-pei State Farm	Shantung	-	-	Largest of the region and mechanized
Tung--hsin State Farm	Northern Kiangsu	16,000	(2,667)	Mechanized and best-managed
P'ang-shan-hu State Farm	Southern Kiangsu	9,307	(1,551)	With fertile lands
Lien-hu State Farm	-	-	-	Has electrical irrigation system
Huang-t'ien State Farm	Hangchow	8,000	(1,333)	Mechanized and best in Chekiang
Lai-wu-hsien State Farm	Shantung	-	-	Best-managed; received award from the Ministry of Agriculture

*/ Kung-fei T'u-kai Pen-chih Chi Ch'i Yen-pien [The Nature and Development of the Communist Land Reform], Taipei, Sixth Section of Central Reformatory Committee of the Kuomintang, 1952, p. 60.

1:Stanford U. S-4, 5 1956 AF 15 East China AF15

1:Stanford U. S-4, 5 1956 AF 15 East China AF15

474 In order to push the collectivization movement
185 more effectively, the Communists made much use of propaganda claiming the superiority of the co-operative type of farming over that of individual farming. Table 5[1] below shows the production results of these methods of farming.

[1] [Table 5 is missing. -- Analyst]

1:Stanford U. S-4, 5 1956 AF 15 East China
~~AF 15~~ AF15

● 474 433 According to this table, the per shih-mou (1/6 acre) yeild of the Chang Lai-sheng Agricultural Producers' Co-operative was 12 per cent higher than that of the Ting Ta-sheng Mutual-aid Team and 15 per cent higher than that of the Ting Yin-sheng farm in Ya-t'ien hsiang, Wu-chin hsien, Shantung Province, the output of Sung Tsung-kuo Agricultural Producers" Co-operative per shih-mou was 21 per cent over that of Sung I-pin's Mutual-Aid Team and 47 per cent over that of the Sung Pao-jen farm. The average per shih-mou output of cotton of the 3 year-round mutual aid teams of Chu-chai hsiang, Shanghai, was about 10 per cent higher than that of 2 temporary mutual-aid teams and 50 per cent higher than the average of 14 individual farms.

IV. AGRICULTURAL PRODUCTION OF EAST CHINA

241 The agricultural production of East China includes grains, raw cotton, oil-bearing crops, silk, tea, ramie, hemp, tobacco, and fish. Other agricultural products which bear little significance are not included in the present discussion.

A. Grain Production

241 433 East China produced 23.8 per cent of the country's grains, with rice heading the list, constituting about 45.4 per cent of the total grain production[16] in 1953. Wheat came next, representing 13.5 per cent of the total output in the same year

16. Ching-chi Tao-pao [Economic Bulletin], Hong Kong, March 10, 1953, No. 309, p. 12.

453 The Joint State-Private Bank has
452 branches in Shanghai, Nanking, Hangchow Tsingtao, and Amoy. Under the Shanghai branch there are twenty-seven agencies within the city. The functions of the Joint State-Private Bank are (a) the handling of accounts of private enterprises; (b) the extension of short-term credits to private enterprises, subject to approval by the People's Bank; (c) the handling of overseas Chinese remittances and inland remittances for the account of the Bank of China through the branches of component banks still operating in Hong Kong; (d) the acceptance of savings deposits for the account of the People's Bank.[7]

G. Credit Co-operatives

452 The credit co-operatives, the basic level
474 of the People's Bank in rural areas, are of three types -- credit co-operatives, credit departments, and mutual-aid teams.

The credit co-operative is a high-level organization with members and a board of directors; capital shares are subscribed by the members, and these deposits become the co-operatives's main financial source.

---

7. Ibid.

1:Stanford U. S-4, 5 1956 AF15 East China
~~AF15~~ AF15

452
474 The credit departments of supply and marketing co-operatives have neither separate membership nor independent capital. Their operating funds are derived from deposits and some special funds appropriated by the co-operatives concerned.

Credit mutual-aid teams are small, simple organizations. Developed from the traditional loan medium in rural areas, they consist of twenty to thirty farmers, each of whom subscribes an equal amount of capital to be used to help any member who may be in need of assistance. Credit is granted by the agreement of subscribers and is redeemed in installments.

In East China there were about 15,000 credit co-operatives (about 19 per cent of the total in the country) at the beginning of the fourth quarter of 1954. Of these, 6,083 co-operatives were in Shantung Province, 4,355 in Chekiang Province, 1,578 in Fukien Province, 1,566 in Kiangsu Province, and 1,481 in Anhwei Province. At the same time there were 41 credit departments in Kiangsu and 101 in Anhwei, and 7,689 mutual-aid teams in Anhwei, 5,179 in Fukien, 2,987 in Kiangsu, and 1,397 in Chekiang.[8]

8. Ta-kung Pao [Ta-kung Daily], Tientsin, Dec. 14, 1954.

438 Native Products Company have established
655 branches in the rural areas. The trade volume of state-owned concerns has grown very rapidly. If we take the trade volume of 1950 as 100, the index for 1952 was 397 for the country as a whole. The regional trade of East China was proportionally higher during the same period.[30] According to the first Five Year Plan, as reported by Li Fu-ch'un,[31] the Communists estimate that by 1957 the total volume of trade will be 133.2 per cent over 1952.

State trade is expanding day by day while private trade diminishes. Eight large trading companies in Shanghai have signed contracts with 116 different fields of industry (over 8,000 factories) to purchase commodities for domestic supply and for foreign trade. According to a report in the Ta-kung Daily, Tientsin, at least forty-six industries in great financial difficulty were benefitted by advanced contracts with the eight state trading companies in Shanghai.[32]

B. Co-operative Companies

474 The supply and marketing co-operative in
438 Communist China is a co-operative organization
443 formed under government directives. Its

30. People's China, Peking, Jan. 16, 1954, p. 5.
31. Kung-shang-chieh [Industry and Commerce] Peking, Aug. 10, 1955, No. 8.
32. Ta-kung Pao [Ta-kung Daily], Tientsin, June , 1955.

1:Stanford U, S-4, 5 1956 AF15 East China
~~AF15~~ AF15

•474 capital is made up of shares contributed by
438 members. It supplies members with farm
443 implements, fertilizer, and other daily necessities and markets their agricultural produce and the products of rural industries. The state trading companies and the branches often make advance contracts with the co-operatives by supplying them their products at fixed low prices. The exact number of the supply and marketing co-operatives in the East China area is not known, but a rapid development was certainly carried out during the period 1953-55. Up to the end of the third quarter of 1955, all of the cities of East China had established supply and marketing co-operatives and each hsiang of the region had at least one such co-operative. According to the latest information available, these co-operatives did one quarter of the total national retail trade in 1953, or 18 per cent of the retail trade in cities and 30 per cent in the rural areas; and about 75 per cent of all the purchases made by the co-operatives were on behalf of the state.[33] The percentage of the total retail trade done by these co-operatives must have at least doubled by 1955.

---

33. Far Eastern Economic Review, Hong Kong, May 12, 1955, Vol. XVIII, No. 19, p. 597.